

1 BEFORE THE
2 ILLINOIS COMMERCE COMMISSION
3
4 IN THE MATTER OF:)
5))
6 SEVEN BRIDGES COMMUNICATIONS,)
7 LLC,)
8) No. 00 -0735
9 Application for a certificate)
10 to become a telecommunications)
11 carrier.)
12 Chicago, Illinois
13 January 16th, 2001
14 Met pursuant to notice at 10:00 a.m.
15
16
17 BEFORE:
18 CLAUDIA SAINSOT, Administrative Law Judge.
19
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21 APPEARANCES:
22 NOWALSKY, BRONSTON & GOTHARD, by
 MS. MONICA HAAB,
 3500 North Causeway Boulevard, Suite 1442
 Metairie, Louisiana 70002
 Appearing for the Applicant;

 MS. BARBARA LANKFORD,
 527 East Capitol Avenue
 Springfield, Illinois 62794
 Appearing for the Staff of the ICC.

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I N D E X

Witnesses:	Direct	Cross	Re - direct	Re - cross	By Examiner
FRANK EVANS	5		7		19

E X H I B I T S

Number	For Identification	In Evidence
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None so marked.

1 JUDGE SAINSOT: By the authority vested in me by
2 the Illinois Commerce Commission, I now call Docket
3 No. 00-0735, which is Seven Bridges Communications,
4 LLC, an application for a certificate to become a
5 telecommunications carrier.

6 Will the parties identify themselves,
7 including name and address and telephone number for
8 the record, please.

9 MR. EVANS: I'm Frank Evans with Seven Bridges
10 Communications, LLC, 500 Richardson Road South, Hope
11 Hull, Alabama 86043. Phone number is area code
12 (334) 281-5551.

13 MS. HAAB: This is Monica Borne Haab. I'm an
14 attorney representing Seven Bridges Communications,
15 LLC. My address is 3500 North Causeway Boulevard,
16 Suite 1442 in Metairie, Louisiana. Zip code, 70002.
17 Phone number is (504) 832-1984.

18 MS. LANKFORD: This is Barb Lankford, Illinois
19 Commerce Commission, consumer services division, 527
20 East Capitol, Springfield, Illinois.

21 MR. KOCH: Robert Koch, K-o-c-h,
22 telecommunications division, Illinois Commerce

1 Commission, 527 East Capitol, Springfield, Illinois.

2 JUDGE SAINSOT: Since you're here, Mr. Koch, is
3 there anything we need to go -- you want to speak to
4 the parties privately before we go on record?

5 Let me rephrase this. We are on record,
6 but we can go off record for a little bit.

7 MR. KOCH: I basically -- there's one issue that
8 perhaps I could ask them off the record. It might
9 make things a little bit clearer, your Honor.

10 JUDGE SAINSOT: Okay. That being said, we'll go
11 off the record a minute.

12 (Discussion off the record.)

13 JUDGE SAINSOT: Okay. We're back on the record.

14 Ms. Haab, do you have any witnesses to
15 offer at this time?

16 MS. HAAB: Yes, we'll offer Mr. Frank Evans.

17 I'll start off with some initial
18 questioning and then tender him to Staff for
19 questioning.

20 JUDGE SAINSOT: Okay. Let me swear him in
21 then.

22 Mr. Evans, are you there?

1 MR. EVANS: Yes, ma'am.

2 (Witness sworn.)

3 JUDGE SAINSBOT: Okay. Proceed, Ms. Haab.

4 FRANK EVANS,

5 called as a witness herein, having been first duly
6 sworn, was examined and testified as follows:

7 DIRECT EXAMINATION

8 BY

9 MS. HAAB:

10 Q. Mr. Evans, what's your position with Seven
11 Bridges Communications?

12 A. I'm the manager of Seven Bridges
13 Communications, LLC.

14 Q. Okay. And as the manager, did you cause an
15 application for a certificate to become a
16 telecommunications carrier to be filed in Illinois
17 on Seven Bridges' behalf?

18 A. Yes, ma'am.

19 Q. And was that application submitted for
20 resold local exchange and interexchange services?

21 A. Yes, ma'am.

22 Q. And has the Seven Bridges obtained the

1 requisite authority from the Illinois Secretary of
2 State to transact business in Illinois?

3 A. Yes, ma'am.

4 Q. And, in your opinion, does Seven Bridges
5 have the necessary technical, managerial experience
6 needed to provide the requested services in
7 Illinois?

8 A. Yes, ma'am, we do.

9 Q. And, in your opinion, does Seven Bridges
10 have the financial capability to provide those
11 services?

12 A. We do.

13 Q. In connection with the application, did you
14 cause prefiled testimony to be submitted on your
15 behalf?

16 A. Yes, ma'am.

17 Q. Do you have any changes to be made to that
18 testimony at this time?

19 A. No, ma'am.

20 Q. And in connection with that application, did
21 you also submit tariffs specifying the terms,
22 conditions and rates associated with the provision

1 of the proposed services?

2 A. Yes, ma'am, we did.

3 Q. Do you have any changes to be made to that
4 tariff at this time?

5 A. No, ma'am.

6 Q. And does Seven Bridges agree to comply with
7 all of the rules and regulations established by the
8 Illinois Commission and the State of Illinois
9 governing the provision of the services requested by
10 Seven Bridges?

11 A. Yes, ma'am.

12 MS. HAAB: That concludes my questioning.

13 I'll tender the witness to Staff for
14 questioning.

15 JUDGE SAINSOT: Okay.

16 MS. LANKFORD: Okay. This is Barb Lankford.

17 CROSS-EXAMINATION

18 BY

19 MS. LANKFORD:

20 Q. Are you sure that you don't want any
21 facilities-based services?

22 A. Yes, ma'am, I'm sure.

1 Q. Okay. And I want to clarify that you are
2 seeking state-wide authority for local exchange
3 service?

4 A. Yes, ma'am, that's correct.

5 Q. On No. 7 of the application, you have marked
6 corporation, but your company name shows that you're
7 a limited liability company.

8 Could you clarify that for me?

9 A. We are a limited liability company, ma'am.

10 Q. Okay. So that would probably need to be
11 changed on the application.

12 JUDGE SAINSOT: For the record, a limit
13 liability company is a corporation.

14 MS. LANKFORD: Okay.

15 BY MS. LANKFORD:

16 Q. Also on the form from the Secretary of
17 State's -- the transfer of name is blank. Did you
18 realize that?

19 A. No, ma'am.

20 Q. I don't think there's probably any big
21 problem with that, but it was blank.

22 JUDGE SAINSOT: Ms. Lankford, what form are you

1 talking about?

2 MS. LANKFORD: Okay. Let's see here. So long
3 since I've looked at this.

4 Okay. The company used to go by First
5 Choice Communications, LLC. You're now Seven
6 Bridges and -- look through here. Just a second.

7 What was filed February the 10th of 2000
8 through the Secretary of State -- and where it says
9 the assumed name other than the true company name
10 under which the LLC proposes to transact business,
11 that's blank and that's the form from the Secretary
12 of State's office.

13 JUDGE SAINSOT: Right, but there's also a
14 form -- oh, there's -- wait a minute. I'm pretty
15 sure there was another form with that.

16 MS. LANKFORD: Well, the special registered
17 agent incorporated, and it says regarding Seven
18 Bridges Communication. It's from the Secretary of
19 State.

20 JUDGE SAINSOT: Right.

21 MS. LANKFORD: It was made May 2nd of 2000.

22 JUDGE SAINSOT: Right. That form I take to mean

1 that Seven Bridges formally changed its name. I'm
2 just looking.

3 Yeah, there's also a limited -- right.
4 There's also attached to that that was also filed
5 May 2nd, the application that shows to the Secretary
6 of State from Seven Bridges showing that they're
7 just changing their name.

8 MS. LANKFORD: Okay. I just didn't realize or
9 know if he was aware of that or not. That was --

10 BY MS. LANKFORD:

11 Q. Are you currently providing any service in
12 any other state where you are authorized?

13 A. Yes, ma'am, we are. We have almost 1400
14 customers in the State of Alabama.

15 Q. Okay. What is your affiliation with EFS,
16 Incorporated?

17 A. I am the controlling shareholder of that
18 company. I own 80 percent of it and am also the CEO
19 of that company.

20 Q. What type of telecommunications services do
21 they provide?

22 A. They don't provide any telecommunications

1 services, ma'am, but they do own several retail
2 outlets that are agents for handling our
3 telecommunications service here in Alabama.

4 Q. Okay. What are your business hours?

5 A. 8:00 to 5:00 central.

6 Q. Could you please describe your company's
7 internal process for complaint resolution and when a
8 customer is notified of the right to contact the
9 Illinois Commerce Commission?

10 A. Our complaint resolution officer here is
11 Linda Talley. Anytime a customer has a complaint
12 that can't be handled by the staff here, they
13 forward them to Ms. Talley. And if she can't
14 resolve it, of course, she will be glad to forward
15 it on to the Commission.

16 Q. Now, who would we contact if we had a
17 complaint? Would we contact her or another
18 individual?

19 A. No, ma'am. You would contact Ms. Linda
20 Talley.

21 Q. Okay. And is there a direct number for her?

22 A. Yes, ma'am.

1 MS. TALLEY: Area code (334) 387-6312.

2 MS. LANKFORD: Thank you.

3 BY MS. LANKFORD:

4 Q. You state in your application on No. 20 that

5 you have procedures in place to prevent slamming.

6 What about cramming? Do you have any

7 procedures in place to prevent cramming?

8 A. Such as what, ma'am?

9 Q. Well, what procedures do you have in place

10 for slamming, to prevent slamming?

11 A. We require a written letter of authorization

12 from the customer.

13 Q. Okay. Do you understand what cramming is?

14 A. Not exactly. I haven't heard that term,

15 ma'am.

16 Q. The cramming is something where there's --

17 it's -- it's not a change of one company to another,

18 but it's like maybe different -- I don't know --

19 features or services added to someone's phone bill.

20 JUDGE SAINSBOT: Unauthorized, I think, is the

21 word you want.

22 BY MS. LANKFORD:

1 Q. Right.

2 A. Well, ma'am, we're a prepaid service. So if
3 we have some features and they haven't paid for
4 them, we're going to be stuck with the bill.

5 Q. Okay. All right. How do you plan to
6 solicit your customers in Illinois?

7 A. We will do it through direct mail, and also
8 we'll have retail agencies where the customer can go
9 and apply for our service.

10 Q. Will this include any telemarketing?

11 A. We don't have plans for that at this time,
12 no, ma'am.

13 Q. Okay. And No. 27 of the application, I just
14 want to clarify that you are planning on providing
15 pay phone services?

16 A. Pay phone services?

17 Q. I believe it's marked yes. Number -- do you
18 have the application?

19 JUDGE SAINOT: It's the very last question in
20 the application.

21 THE WITNESS: No, ma'am, we're not going to be
22 providing pay phone services.

1 BY MS. LANKFORD:

2 Q. Okay. In the prepaid questions, No. 10, do
3 you see that your company does not intend to charge
4 an installation fee. Would you please explain that
5 to me?

6 A. Well, we don't charge any sort of an
7 installation fee because, I mean, we don't do the
8 actual installation. The incumbent provider will do
9 the installation.

10 Q. Okay. But you would not be charging the
11 customer any extra fee for that?

12 A. No, ma'am.

13 Q. Okay. No. 16 of the prepaid questions, do
14 you define a proper notice as a written notice?

15 A. Yes, ma'am. We send out a monthly notice to
16 the customer that's just a reminder notice if they
17 want to continue service. So they do get a written
18 notice every month.

19 Q. Okay. And No. 7 of the prepaid questions,
20 could you clarify your "no" answer a little further?
21 Find out if it's no to both questions in No. 17 of
22 the prepaid question.

1 A. Oh, No. 17. Okay.

2 Q. Uh-huh.

3 A. I thought you said No. 7. I'm sorry.

4 Q. No, that's okay.

5 A. Presently, what we do, ma'am, when a

6 customer runs out of time, we put their phone in

7 suspension for three days, and we try to contact

8 that customer via telephone. And they've already

9 received a written notice, but before we disconnect

10 them, we put them in suspension for three days and

11 try to contact them by telephone. And if we're

12 unable to contact them or get any response from

13 them, then we go to disconnect.

14 Q. Okay. You don't send them any type of a

15 notice, though?

16 A. Yes, ma'am, they get the written notice --

17 Q. Regular written notice?

18 A. They get the written notice first. Then if

19 they don't respond to that, we put them into

20 suspension and still try to contact them for three

21 additional days before they go to disconnect.

22 Q. Okay. Okay. No. 27, you state that your

1 company will sell services through agents in the
2 state.

3 Would you expand to that a little
4 further?

5 A. Yes, ma'am. What we do is we sign up retail
6 agents like rent-to-owns or check cashing outlets,
7 those sort of things that actually sell our service
8 or allow customers to sign up for our service at
9 their location.

10 Q. Okay. Do you realize that by attaching your
11 tariff to the application, that it is not considered
12 filed and must be filed with the chief clerk's
13 office after your certification has been received?

14 A. No, ma'am, I wasn't aware of that.

15 Q. Okay. So once you're certified, then you
16 can file your tariffs; do you understand that?

17 A. Okay. Yes, ma'am. That -- we'll make sure
18 Monica handles that.

19 Q. Okay. Has your company compared the
20 attached tariff to the Code Parts that it has agreed
21 to by in Question 21?

22 A. Yes, ma'am.

1 Q. Okay. Do you have any type of, like,
2 deferred payment arrangement for your customers?

3 A. What do you mean by deferred payment, ma'am?

4 Q. Well, I guess that this is a prepaid
5 service. It's probably handled a little bit
6 different, but by deferred payment arrangement, I
7 mean if a customer cannot pay the entire bill at one
8 time, do you have any type of a plan where they
9 could maybe, you know, spread it out over a few
10 weeks or a month or --

11 A. No, ma'am, we don't.

12 Q. Okay. And that is part of the code. That
13 is --

14 JUDGE SAINSBOT: Hello?

15 THE WITNESS: Yes, ma'am.

16 BY MS. LANKFORD:

17 Q. Your testimony on Page 4, Line 13 and 15,
18 you do not address how you will -- you do not
19 address how you will ensure your customers are
20 listed in a directory.

21 Do you already have your customers listed
22 in a directory?

1 A. Yes, ma'am. That information is forwarded
2 on to the incumbent provider for listing in their
3 directory; the customer's demographic information
4 is.

5 Q. Okay. And also the testimony on Page 4, why
6 would your company make contract arrangements for
7 PTY distribution and relay services when it signed
8 the ITAC membership form?

9 A. I'm not sure, ma'am.

10 Q. Okay. Because that's why you signed the
11 ITAC membership form. Maybe your attorney can
12 advise you on that.

13 A. I think we'll probably need some of that.

14 MS. LANKFORD: Okay. All right. That's all the
15 questions I have.

16 JUDGE SAINOT: Do you have a recommendation,
17 Ms. Lankford?

18 MS. LANKFORD: I don't see any reason why they
19 cannot be certified once -- I think there's a few
20 little things that need to be, you know, understood
21 maybe and cleared up.

22 You know, maybe you need to speak with

1 your attorney about a couple of these things.

2 MR. EVANS: Okay, ma'am.

3 MS. LANKFORD: But I see no reason why they
4 cannot be certified.

5 JUDGE SAINSOT: The reason I asked you first,
6 Ms. Lankford -- I know I usually don't do that --
7 is I'm afraid we're going to go off the air any
8 second now.

9 MS. LANKFORD: I know.

10 JUDGE SAINSOT: Mr. Koch, do you have any
11 questions?

12 MR. KOCH: Yes, and I'll try to talk quickly.

13 CROSS-EXAMINATION

14 BY

15 MR. KOCH:

16 Q. Mr. Evans, does your company ensure that 911
17 traffic is handled in accordance with 83

18 Administrative Code Part 725 and the Emergency
19 Telephone System Act?

20 A. Yes, sir.

21 Q. Will your company contact and establish a
22 working relationship with the 911 systems when you

1 begin to provide local telephone service?

2 A. Yes, sir, we do.

3 Q. Will your company coordinate with the
4 incumbent LEC and local 911 systems to provide
5 transparent service to your local exchange
6 customers?

7 A. Yes, sir.

8 Q. Okay. Who will be responsible for building
9 and maintaining the 911 database for your local
10 exchange customers?

11 A. We will maintain that. We pass all of that
12 database information on to the incumbent provider,
13 though.

14 Q. Yes. And at your company, who will be in
15 charge of collecting and building that database to
16 pass on to the 911 provider?

17 A. Ms. Linda Talley.

18 Q. Okay. How often will your company update
19 the 911 database with your customer information?

20 A. At least monthly.

21 Q. Are you willing to do it daily?

22 A. Yes, sir.

1 Q. Okay. And --

2 A. As a practical matter, that's the way we
3 do -- as soon as we get an order, we forward it on
4 to the LEC unless the LEC's computer systems are
5 down, which seems to be quite frequent.

6 Q. Point well taken. I just wanted to make
7 sure that you understood that Illinois law requires
8 that information be updated daily.

9 A. We would prefer to do it that way.

10 Q. Okay. And you will commit to that at this
11 time?

12 A. Yes, sir.

13 Q. Will your company's billing system have the
14 ability to distinguish between facilities-based and
15 resale for the collection of the 911 surcharge?

16 A. Yes, sir.

17 Q. Will your company have procedures for the
18 transitioning of the 911 surcharge collection and
19 disbursement to the local 911 system?

20 A. Yes, sir.

21 Q. Okay. I have a couple financial questions
22 for you.

1 On the cover sheet for Attachment 5 of
2 your application, it is indicated that EFS, Inc.,
3 will guarantee the initial operations of the
4 applicant?

5 A. Yes, sir.

6 Q. For what length of time will EFS commit to
7 this guarantee?

8 A. As long as is necessary.

9 Q. Okay. Will you be able to commit to a
10 minimum of a year?

11 A. Yes, sir. No question about it.

12 Q. Okay. And do you have the authority to make
13 this commitment for EFS, Inc.?

14 A. Yes, sir, I do.

15 Q. You've requested a waiver of Part 710. And
16 I was going to ask you, would it be possible to
17 submit a chart of accounts for the applicant to me?

18 A. Yes, sir.

19 Q. Do you know how long it would take you or
20 what date you could submit this to me?

21 A. The chart of accounts?

22 Q. Yes, sir.

1 A. We'll have it faxed to you today.

2 Q. Okay. What circumstances warrant a
3 departure from the prescribed Uniform System of
4 Accounts?

5 A. I don't know of any circumstances that would
6 cause us to do that, sir.

7 Q. Well, you're requesting the Part 710 waiver,
8 which would -- you are asking exactly for just that,
9 a departure from the Uniform System of Accounts.

10 A. Oh, we'd like to provide our own chart of
11 accounts, if that's possible, sir.

12 Q. Understood?

13 JUDGE SAINSOT: This is more, Mr. Evans, as to
14 how you keep your books on an annual basis.

15 THE WITNESS: Yes, ma'am. We, of course, keep
16 them according to Generally Accepted Accounting
17 Principals, and we use a software program called
18 Mass 90 which is a Prentice Hall product. It's used
19 pretty much nationwide.

20 BY MR. KOCH:

21 Q. Okay. So you already use an accounting
22 system that is in accordance with GAAP?

1 A. Yes, sir.

2 Q. Will applicant -- will your accounting
3 system provide an equivalent portrayal of operating
4 results and financial conditions as the USOA?

5 A. Yes, sir, and I'm assuming your USOA
6 complies with GAAP.

7 Q. Actually, USOA is a federal system and Code
8 Part 710 prescribes it for companies in Illinois.

9 Will the applicant maintain its records
10 in sufficient detail to facilitate the calculation
11 of all applicable taxes?

12 A. Yes, sir. I don't think that will be a
13 problem. I think you'll see from our chart of
14 accounts that it gives you sufficient detail to do
15 so.

16 Q. Okay. Is your accounting system
17 currently -- is it currently able to provide
18 sufficient detailed data for the preparation of
19 Illinois gross receipt tax returns?

20 A. Yes, sir.

21 Q. Okay. If the Part 710 waiver is granted,
22 will you be able to provide annual audited financial

1 statements to the Commission?

2 A. Yes, sir. Do you require audited?

3 Q. Yes, on an annual basis. And that's not at
4 this present time, but it would be at the end of
5 the -- you know, at the end of whatever fiscal
6 period.

7 A. All right, sir.

8 Q. Okay. Does applicant agree with the
9 requested waiver of Part 710 will not excuse it from
10 compliance procedure, Commission rules or amendments
11 to Part 710 otherwise applicable to the company?

12 A. Yes, sir.

13 MR. KOCH: Okay.

14 Those are all my questions.

15 JUDGE SAINSOT: Do you have a recommendation,
16 Mr. Koch?

17 MR. KOCH: Yes. Concerning portions of the
18 application that I reviewed, I have -- I see no
19 reason why this application could not be granted.

20 JUDGE SAINSOT: Thank you very much, Mr. Koch.

21 Is there anything further from Ms. Haab?

22 MS. HAAB: No.

1 JUDGE SAINSOT: Okay. That being said, the
2 record will be marked heard and taken, and I will
3 get this order out as soon as I can.

4 MS. HAAB: Thank you very much.

5 JUDGE SAINSOT: Thank you.

6 Have a good day and stay warm.

7 HEARD AND TAKEN. . . .

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CERTIFICATE OF REPORTER

STATE OF ILLINOIS)
)
COUNTY OF DU PAGE)

CASE NO. 00-0735

TITLE: SEVEN BRIDGES COMMUNICATIONS

I, Steven Stefanik do hereby certify that I am a
court reporter contracted by SULLIVAN REPORTING
COMPANY, of Chicago, Illinois; that I reported in
shorthand the evidence taken and the proceedings had
in the hearing on the above-entitled case on the
16th day of January A.D. 2001; that the foregoing
26 pages are a true and correct transcript of my
shorthand notes so taken as aforesaid, and contains
all the proceedings directed by the Commission or
other person authorized by it to conduct the said
hearing to be stenographically reported.

Dated at Chicago, Illinois, this 30th day
of January A.D. 2001.

REPORTER